

# HOUSE BILL No. 1409

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-37.

**Synopsis:** Infrastructure acquisition agreements. Provides that a unit that invests in and develops utility infrastructure may, as a condition of transferring ownership of the infrastructure to a public utility, require the public utility to enter into an infrastructure acquisition agreement with the unit. Provides that the terms of an agreement must provide for: (1) compensation; (2) maintenance; and (3) rights and remedies upon violation of the agreement.

**Effective:** July 1, 2014.

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## Candelaria Reardon

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January 16, 2014, read first time and referred to Committee on Utilities and Energy.

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Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1409

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 36-7-37 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

### **Chapter 37. Infrastructure Acquisition Agreements**

**Sec. 1. As used in this chapter, "agreement" refers to an infrastructure acquisition agreement entered into under section 4 of this chapter.**

**Sec. 2. As used in this chapter, "infrastructure" includes the following:**

**(1) Capital improvements that comprise any part of:**

**(A) a sanitary sewer system or wastewater treatment facility;**

**(B) a water treatment, water storage, or water distribution facility; or**

**(C) an electric transmission or distribution system or production or generating facility.**



(2) Storage, compressed natural gas, liquefied natural gas, transmission, and distribution facilities to be used in the delivery of natural gas, or supplemental or substitute forms of gas sources by a natural gas utility.

The term includes site improvements or interests in real property needed for the infrastructure.

Sec. 3. As used in this chapter, "public utility" has the meaning set forth in IC 8-1-2-1(a).

Sec. 4. (a) A unit that invests in and develops infrastructure in a geographic area over which the unit has jurisdiction may transfer any part or all of the unit's ownership interest in the infrastructure to a public utility. The unit may require the public utility to enter into an infrastructure acquisition agreement as a condition of the transfer.

(b) An agreement entered into under subsection (a) must provide for the following:

(1) Compensation or payments to the unit from the public utility for use of the infrastructure.

(2) Maintenance of the infrastructure by the public utility.

(3) Rights and remedies of the unit if the public utility violates the agreement.

(c) An agreement may provide for reversion of the infrastructure to the unit upon the expiration of the agreement.

Sec. 5. A public utility may not recover costs incurred under an agreement entered into under this chapter through a periodic rate adjustment or other cost recovery mechanism.

Sec. 6. An amount paid by a public utility to a unit under the terms of an agreement is in addition to an impact fee assessed and collected under IC 36-7-4.

Sec. 7. Nothing in this chapter interferes with the authority of the Indiana utility regulatory commission to regulate a public utility under IC 8-1-2, as applicable.

